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EAST EUROPE BRANCH NOTES

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CZECHOSLOVAKIA

US-Czechoslovakia Move Toward Economic Normalization

On July 5 Czechoslovak and US officials initialed an agreement settling postwar mutual financial claims. This latest attempt to settle old differences began in Prague on September 10, 1973. The agreement provides for the return to Czechoslovakia of approximately 18 tons of gold seized by the Nazis and subsequently held by a tripartite commission composed of the US, UK and France. The agreement also provides compensation for American property nationalized following the 1948 coup.

The signing of this agreement removes a major barrier to economic normalization between the two countries. The Czechoslovaks hope the agreement will create conditions conducive to a US grant of MFN status. Currently only Poland enjoys MFN status.

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